



PUBLIC NOTICE

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DOMESTIC SECTION 214 APPLICATION GRANTED FOR THE TRANSFER OF CONTROL OF PRIMUS TELECOMMUNICATIONS, INC. TO PTUS, INC.

WC Docket No. 13-145

On June 5, 2013, Primus Telecommunications Group, Incorporated (PTGI), Primus Telecommunications, Inc. (PTI), and PTUS, Inc. (PTUS) (collectively, Applicants) filed an application pursuant to section 63.03 of the Commission's rules to transfer control of PTI from PTGI to PTUS.¹

PTI provides telecommunications services in 49 states (every state except Alaska), the District of Columbia, and the Commonwealth of Puerto Rico. PTI, a Delaware corporation, is a wholly owned subsidiary of Primus Telecommunications Holdings, Inc., which is, in turn, wholly owned by PTGI. PTUS does currently provide telecommunications services.² The Wireline Competition Bureau (Bureau) has determined that grant of the Application, as conditioned, serves the public interest, and accordingly the Application is granted with the conditions stated herein.

On June 28, 2013, the Department of Justice, including the Federal Bureau of Investigation, with the concurrence of the Department of Homeland Security (collectively, the Executive Branch Agencies), filed a letter requesting that the Commission defer action on this Application while they reviewed potential national security, law enforcement, and public safety issues.³ In response to the request, the Bureau removed the Application from streamlined review.⁴ On July 17, 2014, the Executive Branch Agencies advised the Commission that they have no objection to the Commission granting its consent in this proceeding, provided the Commission conditions its approval on the assurance of PTUS to abide by the July 16, 2014 Letter of Assurances (Letter of Assurances) that addresses national security, law

¹ 47 C.F.R. § 63.03; see 47 U.S.C. § 214. *Application of Primus Telecommunications Group, Incorporated, Transferor, Primus Telecommunications, Inc., Licensee, and PTUS, Inc., Transferee, for Grant of Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended*, WC Docket No. 13-145 (filed June 5, 2013) (Application).

² See *Domestic Section 214 Application Filed for the Transfer of Control of Primus Telecommunications, Inc. to PTUS, Inc.*, WC Docket No. 13-145, Public Notice, 28 FCC Rcd 8442 (Wireline Comp. Bur. 2013).

³ See Letter from Siobhan E. Dupuy, U.S. Department of Justice, to Marlene H. Dortch, FCC, WC Docket No. 13-145 (filed June 28, 2013).

⁴ *Notice of Removal of Domestic Section 214 Application from Streamlined Treatment*, WC Docket No. 13-145, Public Notice, 28 FCC Rcd 9966 (Wireline Comp. Bur. 2013).

enforcement, and public safety concerns.⁵ The Executive Branch Agencies filed the Letter of Assurances in WC Docket No. 13-145 on July 17, 2014.⁶

Consistent with Commission precedent, the Bureau accords the appropriate level of deference to the Executive Branch Agencies' expertise on national security and law enforcement issues.⁷ The Bureau finds, upon consideration of the record, that grant of the Application, subject to compliance with the Letter of Assurances with the Executive Branch Agencies, will serve the public interest, convenience, and necessity. Upon consummation of the transaction, the resulting entity will have a market share in the U.S. interstate interexchange market of less than 10 percent and will provide competitive telephone exchange services or exchange access services exclusively in geographic areas served by a dominant local exchange carrier in the U.S. that is not a party to the transaction. In addition, no party to the transaction is dominant with respect to any domestic service.⁸

Therefore, pursuant to section 214 of the Act, 47 U.S.C. § 214, and sections 0.91, and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, the Bureau hereby grants the Application discussed in this Public Notice subject to compliance with the Letter of Assurances described above. A failure to comply with and/or remain in compliance with any of the provisions of the Letter of Assurances shall constitute a failure to meet a condition of this authorization and thus grounds for declaring the underlying authorizations terminated without further action on the part of the Commission. Failure to meet a condition of this authorization may also result in monetary sanctions or other enforcement action by the Commission.

Pursuant to section 1.103 of the Commission's rules, 47 C.F.R. § 1.103, the grant is effective upon release of this Public Notice. Petitions for reconsideration under section 1.106 or applications for review under section 1.115 of the Commission's rules, 47 C.F.R. §§ 1.106, 1.115, may be filed within 30 days of the date of this Public Notice.

For further information, please contact Dennis Johnson, Wireline Competition Bureau, Competition Policy Division, (202) 418-0809.

⁵ Letter to John Carlin, Assistant Attorney General, National Security Division, U.S. Department of Justice, from Glen Gordon, PTUS, Inc., WC Docket No. 13-145 (filed July 16, 2014).

⁶ *Id.*

⁷ The Commission considers national security, law enforcement, foreign policy, and trade policy concerns when analyzing a transfer of control or assignment application in which foreign ownership is an issue. *See Amendment of the Commission's Regulatory Policies to Allow Non-U.S. Licensed Satellites Providing Domestic and International Service in the United States*, Report and Order, 12 FCC Rcd 24094, 24170-72, paras. 178-82 (1997); *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, IB Docket No. 97-142, Market Entry and Regulation of Foreign Affiliated Entities, IB Docket No. 95-22, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891, 23919-21, paras. 61-66 (1997) (*Foreign Participation Order*), Order on Reconsideration, 15 FCC Rcd 18158 (2000). In assessing the public interest, the Commission considers the record and accords the appropriate level of deference to Executive Branch expertise on national security and law enforcement issues. *See Foreign Participation Order*, 12 FCC Rcd at 23919-21, paras. 61-66.

⁸ *See also Implementation of Further Streamlining Measures for Domestic Section 214 Authorizations*, CC Docket No. 01-150, 17 FCC Rcd 5517, 5533, para. 30 (2002); 47 C.F.R. § 63.03(b)(2)(i); Application at 12.